

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of Van Hubly Investments LLC (“Adviser”). If you have any questions about the contents of this Brochure, please contact us at 425-770-0288 or [nancy@vanhubly.com](mailto:nancy@vanhubly.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities authority.

Van Hubly Investments LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Van Hubly Investments is also available on the Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission and State Securities divisions published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required. This Brochure dated March 25, 2011 is a new document prepared according to the new requirements and rules. As such, this Document is materially different in structure and requires new information that our previous brochure did not require.

In the future, this Item will summarize specific material changes that we make to the Brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

You may request our Brochure by contacting Nancy Van Hubly, President of Van Hubly Investments at 425-770-0288 or [nancy@vanhubly.com](mailto:nancy@vanhubly.com). Our Brochure is also available on our web site at [www.vanhubly.com](http://www.vanhubly.com).

Additional information about Van Hubly Investments is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with the Adviser.

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## Item 4 – Advisory Business

Van Hubly Investments (VHI) has been in business since 2007. It is owned and operated by Nancy Van Hubly.

VHI provides investment management services that are continuous and ongoing. We consider clients' financial circumstances, risk tolerance, time horizon, and short and long-term cash flow needs in adopting an asset allocation strategy and recommending investments. Recommended investments may include no-load mutual funds, exchange-traded funds, individual bonds, individual stocks, and cash equivalents. Each client's portfolio is unique, and customized for his or her particular circumstances and needs. Clients may impose restrictions on investing in certain types of securities.

Client assets under management on a discretionary basis were \$6,800,000 as of December 31, 2010. No assets were under management on a non-discretionary basis as of December 31, 2010, though we will accommodate a non-discretionary relationship.

## Item 5 – Fees and Compensation

We calculate fees in accordance with our written Investment Advisory Agreement with clients as an annual percentage of assets under management as follows:

.75% on first \$2,000,000 plus  
.50% on amounts over \$2,000,000

We charge fees quarterly, in arrears, based on market values in effect on the last business day of the calendar quarter. Clients may authorize us to debit their accounts or choose to be billed directly for our fees. All fees are negotiable.

Management fees for accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

In limited circumstances, we may charge an hourly fee for consulting or research services on accounts we do not actively manage. These fees are negotiated on a case-by-case basis based upon the work to be performed and the circumstances involved, and are generally \$100 per hour.

Our fees are exclusive of brokerage commissions, transaction fees, markups, and other related expenses that are incurred by the client. Clients may also incur other charges imposed by custodians such as fees for wire transfers, ADR custody fees, and reorganization fees. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such commissions, fees, and costs are exclusive of and in addition to our investment management fee. We do not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their commissions and fee structure.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Van Hubly Investments does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

We provide investment management services to individuals, high net worth individuals, trusts, and small business retirement plans. Our expected minimum initial portfolio value is \$250,000. This is flexible.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Van Hubly Investments uses a client's unique circumstances to create and maintain an asset allocation strategy, and a customized portfolio of diversified investments designed to achieve a client's financial objectives. We use many fundamental research sources to create an individualized portfolio of no-load mutual funds, exchange-traded funds, and/or individual stocks and bonds for the client. Investments are evaluated on many aspects, including but not limited to their past performance and future potential, expected volatility, income produced, and costs. Securities may be sold when they achieve certain pre-determined objectives or price targets, or for tax reasons. Accounts are rebalanced periodically, at least annually. We are primarily a long-term investor, and do not engage in margin transactions, short sales, and short-term or frequent trading.

Investing in securities involves risk of loss that clients should be prepared to bear. This risk may increase in times of significant market volatility. Many client portfolios contain international stocks and/or funds, and mid - small sized company stocks and/or funds. International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods, and economic and political system instability. These risks are typically higher in emerging markets. Securities of mid and small-sized companies tend to be more volatile and less liquid than those of large companies. They may underperform the securities of larger companies in some periods, and tend to have a shorter history of operations than large companies do. Many client portfolios also contain individual bonds, or bond funds. Bond investing also carries risks that securities will lose value because of changing interest rates, and credit risk that issuers will default on interest or principal payments owed to the client. With mutual funds, these risks are discussed in the prospectus, which is sent to you with a first investment. We encourage you to read it carefully and discuss any concerns you may have with us.

In some limited situations, we recommend and use covered call option strategies to create additional income for clients. Covered call writing carries particular risks. The writer of a covered call foregoes the opportunity to benefit from an increase in the underlying security above the option strike price but continues to bear the risk of a decline in the value of the underlying security. If assigned, the net proceeds realized from a sale of the underlying security could be substantially below the prevailing market price.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no disciplinary information applicable to this Item to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Registered investment advisers are required to disclose all financial industry affiliations and business arrangements that may create material conflicts of interest with clients. We have no such industry affiliations or business arrangements to disclose.

## **Item 11 – Code of Ethics**

VHI has adopted a Code of Ethics for the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. You may request a copy of the firm's Code of Ethics by contacting Nancy Hubly.

We purchase for our own account many of the same stocks and mutual funds that we recommend to clients or are contained within client portfolios. In some cases, we may buy or sell securities for our own account for reasons unrelated to the strategies recommended to clients. In situations where we are making a transaction for a client in the same security we are transacting for our own account, we complete client transactions prior to making a transaction in the same security for ourselves. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of VHI will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing us to invest for our own accounts. Nonetheless, because the Code of Ethics permits us to invest in the same securities as clients, there is a possibility that VHI might benefit from market activity by a client in a security held by us. Our personal trading is monitored under the Code of Ethics and to reasonably prevent conflicts of interest between VHI and its clients.

Our policy prohibits any principal or agency cross securities transactions for client accounts.

## Item 12 – Brokerage Practices

We do not maintain custody of your assets, although we may be deemed to have custody if you give us the authority to deduct our fees from your account (see Item 15 – Custody). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We generally recommend that you use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer and SIPC member, as the qualified custodian. VHI is independently owned, operated and not affiliated with Schwab. While we recommend that you use Schwab as your custodian and broker, you will decide whether to do so and will open your account directly with them. We will assist you in completing the account agreement to establish the account.

We seek to recommend a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider many factors including:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Breadth of available investment products (stocks, bonds, no-load mutual funds, ETFs)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of service
- Competitiveness of the price of services
- Reputation, financial strength and stability
- Cash handling services

In order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek the “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Schwab Advisor Services (formerly Schwab Institutional) is Schwab’s business serving independent investment advisory firms like VHI. It provides our clients and us with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not available to retail customers. Schwab also makes available various support services. Some of these services help us manage or administer our client accounts, and others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as we maintain at least \$10 million in client assets at Schwab. Otherwise, Schwab may charge VHI a quarterly service fee of \$1200.

Schwab’s Institutional brokerage benefits you through access to certain investment products and mutual fund investments that may be available only to institutional investors or would require a higher minimum initial investment.

Other services Schwab provides may not directly benefit you, but benefit VHI. They include:

- investment research from Schwab and third parties
- facilitate payment of our fees from our client's accounts
- interface with client reporting systems
- facilitate trade execution

Schwab also provides services that benefit only us. They include educational conferences and events to help us run our business more efficiently. Schwab provides educational materials on subjects that affect our business' technology, compliance, and legal needs.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. VHI currently pays Schwab a quarterly fee of \$1200 because we do not maintain sufficient assets under management under Schwab's policies. The \$10 million minimum may give us an incentive to recommend you maintain your account with Schwab, based on our interest in receiving services that benefit our business, rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services as described previously in this Item, and not the services Schwab provides that benefit only us.

We receive no client referrals from any broker-dealer or third party in exchange for selecting or recommending any particular broker-dealer.

We generally do not aggregate client orders, and place orders individually in each client account. If multiple orders for the same security are placed for different client accounts, this could result in a client receiving a higher or lower price than another client. In practice, due to our size and the individualized nature of our client portfolios, this rarely occurs.

### **Item 13 – Review of Accounts**

We review client accounts on a daily basis for activity, changes in value, prices.

We provide written quarterly performance reports showing overall relationship, account, and individual investment values, including investment performance for each. Appropriate market benchmarks are included to provide context for results. We may supply additional customized reporting based on a client's individual needs. See Item 15 about reports received from the custodian of a client's assets.

We typically meet with clients every 3-6 months to discuss market and portfolio performance, and review any changes in clients' financial circumstances, cash flow needs, or risk tolerance.

## **Item 14 – Client Referrals and Other Compensation**

We receive an economic benefit from Schwab through the support products and services it makes available to us and other independent advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 – Brokerage Practices. The availability to us of Schwab’s products and services is not based on us giving particular advice or buying particular securities from Schwab.

We do not directly or indirectly compensate anyone or receive compensation from anyone for their business referrals.

## **Item 15 – Custody**

Under government regulations, we are deemed to have custody of your assets if you authorize us to deduct our advisory fees directly from your account. Schwab, or any other custodian we may use, maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. We urge you to carefully review these statements and compare these official custodial records to the account reports that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

As part of its written agreement with clients, VHI generally receives discretionary authority from its clients at the outset of an advisory relationship to select the specific identity and amount of securities to be bought or sold. In all cases, however, we exercise such discretion in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, we observe the investment policies, limitations and any restrictions the client may have placed.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of our clients. Clients retain the responsibility for receiving and voting proxies for any securities maintained in client portfolios. We may provide advice to clients regarding the clients’ voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. VHI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisers**

Nancy Van Hubly is the President of VHI, and currently the only Investment Advisory Representative of the firm. Nancy was born in 1956. She graduated with high honors from the University of California at Davis in 1978 with a degree in Business Management - Agricultural Economics. She has been employed in the securities industry since then as follows:

1978 - 2004 Charles Schwab & Co., Inc.

- Held numerous positions including Regional Vice President, Branch Manager, Compliance Manager, and Internal Auditor.

2005 - 2006 Kempf & Company

- Held position of Business Manager in this financial planning firm, holding securities licenses through affiliation with Transamerica Financial Advisors, Inc.

2007 - present Van Hubly Investments

- President, Chief Investment Officer, and Compliance Officer